

// A special meeting of the Council of the City of Lynchburg, recessed from July 19, was held on the 9th day of August, 2005, at 1:00 P.M., Second Floor Training Room, City Hall, Carl B. Hutcherson, Jr., President, presiding. The purpose of the meeting was to conduct a work session regarding several items. The following Members were present:

Present: Dodson, Foster, Gillette, Helgeson, Johnson, Seiffert, Hutcherson

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Absent:

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// Lynchburg City Schools (LCS) Superintendent Dr. Paul McKendrick along with Deputy Superintendent Dr. Roger Roberts and Chief Financial Officer Cynthia Page presented an overview regarding a proposal for enrolling non-residential students. Dr. McKendrick stated that the School Administration and the School Board have discussed the implementation of several strategies/options, i.e., (1) allow LCS staff who live outside of the City to enroll their children at City schools at a reduced tuition rate, (2) allow LCS staff with children in secondary schools to enroll their children in City schools at a reduced tuition rate, (3) allow students from county schools to attend LCS' secondary schools at full tuition costs, and (4) offer a different tuition rate for parents who would enroll more than one child. Dr. McKendrick did note that students who live outside the City can now attend City schools as long as they pay \$3,035 in annual tuition, which is the local cost of educating the student. Dr. McKendrick went on to say that over the past three to four years the Schools have lost approximately 100 to 125 students each year which, in turn, means a drop of about \$4,000 per student in state money, and that more aggressive steps need to be taken toward easing that decrease and hopefully posting gains in student enrollment. Dr. McKendrick explained that although the School Administration and the School Board have discussed on several occasions concerns regarding decreases in the City's student enrollment, the School Board has held neither formal discussions nor votes regarding the proposal. Dr. McKendrick stated that the purpose of today's presentation is to seek input from City Council regarding the proposal prior to submitting it to the School Board for final approval. In response to Council questioning, Dr. McKendrick stated that it cost approximately \$8,000 to educate a student in the City Schools. Council Member Gillette questioned whether the \$3,035 reflects the total local cost of educating a student and asked that the Schools provide a more accurate view of what it cost to educate a student. Council Member Gillette also expressed concern that the City may already be subsidizing county residents who chose to send their children to the City's high schools because of the advanced or unique programs offered by the City Schools. In response to Council questioning, City Attorney Walter Erwin stated that according to State law, the Schools cannot include capital outlay and debt service in calculating the cost of tuition. Council Member Dodson commented that the adjoining counties already either reduce or waive the tuition fee for teachers living outside the county, and both he and Vice Mayor Foster noted that a reduced tuition cost could be used as a recruitment incentive to attract more qualified teachers. Council Member Seiffert asked that prior to making a final decision, that the School Board take into consideration that it is City taxpayers that fund the schools and that City students could be displaced in sports, drama or other school activities by county students. Dr. McKendrick stated that staff could provide the information requested regarding the actual

cost of educating a student in the City schools. Several Council Members commented that they would like to review the information from the Schools before commenting further regarding the proposal.

// Lynchburg Redevelopment and Housing Authority (LRHA) Executive Director Ed McCann along with LRHA Development Assistant Connie Snively provided an overview regarding a proposal to create a Tinbridge Hill Conservation Plan for the Tinbridge Hill neighborhood. Mr. McCann explained that the Housing Authority has been working with the Tinbridge Hill Neighborhood Council regarding the Plan and that adoption of the Plan and subsequent Conservation Area designation would be the next steps in achieving the housing goals and objectives development by the Tinbridge Neighborhood Council in the Tinbridge Hill Neighborhood Plan dated October 1996. Mr. McCann went on to say that the next step would be for City Council to schedule a public hearing to receive public comments on the Conservation Plan. In response to Council questioning, Mr. McCann stated that adoption of the Conservation Plan would enable the Authority to undertake action to acquire unimproved properties and clear title to those properties so that new homes could be constructed. Mr. McCann also explained that the Authority has no plans to acquire occupied homes due to the high relocation costs associated with the process. Following discussion, City Council agreed to schedule a public hearing for September 13 to receive public comment regarding the creation of a Tinbridge Hill Conservation Plan.

// City Manager Kimball Payne explained that the financial package for the Bluffwalk Center is finally in place and that the project will consist of The Craddock Terry Hotel and Conference Center, Shoemakers Restaurant, The Jefferson Street Microbrewery, and Packets Restaurant and Brewpub and will represent an investment of approximately \$17 million in downtown Lynchburg. Mr. Payne went on to say that Wachovia will be providing conventional financing for the project, will purchase both state and federal tax credits, and will enhance the tax credit sales proceeds as loans with New Market Tax Credits, and that part of the financing package includes \$3.2 million from a Section 108 HUD loan. Mr. Payne stated that one of the conditions of the financing from Wachovia is that the HUD 108 loan be subordinate to Wachovia's financing, and that HUD has verbally agreed to this subordination and that the terms will need to be finalized prior to the September 15 closing. Mr. Payne also noted that presently the buildings are being reappraised and everyone is confident that their value will provide adequate collateral for both the Wachovia financing and the HUD loan. Mr. Payne asked that City Council authorize the City Manager and the City Attorney to take whatever steps are necessary to provide for the subordination of the HUD 108 loan as part of the financing package for the Bluffwalk Center. On motion of Council Member Dodson, seconded by Council Member Gillette, Council by the following recorded vote adopted Resolution #R-05-095, as presented, agreeing to the subordination of the HUD Section 108 loan and authorizing the City Manager, the City Attorney, the Director of Financial Services and any other necessary City employees to take the necessary steps and execute appropriate documents to formalize the subordination of the HUD 108 loan as part of the financing package for the Bluffwalk Center:

Ayes: Dodson, Foster, Gillette, Helgeson, Johnson, Seiffert, Hutcherson

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Noes:

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// Fire Chief Buddy Martinette provided an overview regarding the Lynchburg Fire and EMS Department's 2015 Plan, dated August 2005, and as previously furnished to City Council.

// Director of Human Resources Margaret Schmitt along with Human Resources Benefits Manager Karen Loughney provided an overview regarding proposed changes to the City's medical plan. Ms. Schmitt explained that staff is recommending the following changes, i.e., (1) that the wellness benefits for previously non-covered screening tests be increased, (2) that non-traditional services provided within an office visit be covered through the member's deductible and co-insurance, (3) that office co-payments only cover basic services such as exams and lab work, (4) that there be a limit of \$5,000.00 per month per drug for high cost, specialty drugs, (5) that a minimum of 5 years dependent coverage be required prior to retirement to cover dependents in retirement, (6) that the City no longer offer open enrollment for retiree dependents, and (7) that all Medicare eligible members be enrolled in Medicare Part D for prescription coverage as of January 1, 2006, and that the City will reimburse the retiree the monthly Medicare premium of \$35-\$37. Council Member Seiffert read the following statement: "As a City retiree I am a member of a group of individuals that have an interest in the City's Health and Dental Insurance Plans. Even though I am part of the group of City employees and retirees that could be affected by the proposed changes to the City's Health and Dental Insurance Plans, I believe I am able to participate in this matter fairly, objectively and in the public interest. Therefore, I will participate in Council's consideration of these proposals." In response to Council Member Seiffert's question, Ms. Schmitt explained that current retirees would have one last opportunity to enroll their dependents during the upcoming open enrollment for plan year October 1, 2005 to September 30, 2006. City Manager Kimball Payne noted that the recommendations are consistent with the City's philosophy of sharing the cost of medical services with the members using the services.

// City Manager Kimball Payne stated that after the presentation of the Draft Midtown Area Plan by Dover Kohl & Partners on July 19, City Council had a brief discussion on the next steps without reaching resolution. Mr. Payne explained that in order for the Midtown Area Plan to be effective, it would need to be incorporated into the Comprehensive Plan and that it would be his recommendation to forward the Plan to the Planning Commission to begin that process. Council Member Helgeson cautioned regarding moving forward too quickly with the Plan, while other Council Members expressed support in moving forward with the process to incorporate the Midtown Area Plan into the Comprehensive Plan. City Manager Payne stated that he would ask the Planning Commission to provide a timeline of the process. Following discussion, the majority of Council Members asked that the Midtown Area Plan be forwarded to the Planning Commission in order to begin the process for incorporation of the Midtown Area Plan into the City's Comprehensive Plan.

// City Attorney Walter Erwin informed City Council that they need to address the Walgreens rezoning petition, which was postponed until the Midtown Area Plan was completed. Council asked that the developer be contacted to determine if they were still interested in pursuing the petition and if so to schedule the matter for an upcoming Council meeting.

// City Manager Kimball Payne provided an overview regarding a preliminary agenda for City Council's upcoming retreat scheduled for August 29 and 30.

// During roll call, Council Member Helgeson informed that the City Manager was looking into an incident that happened over the weekend in Miller Park. Council Member Seiffert complimented Waste Management Director Dave Owen regarding his handling of a citizen request, inquired regarding actions to be taken to address gang graffiti, and asked that the upcoming legislative agenda include language that would prohibit group homes from being within 1,200 feet of each other. Mayor Hutcherson informed that former Mayor Jimmie "Coach" Bryan's funeral will be on Thursday at E. C. Glass High School and that there will be reserved seating for current and former City Council members.

// On motion of Council Member Helgeson, seconded by Council Member Johnson, Council by the following recorded vote elected to hold a closed meeting to consider the acquisition and disposition of publicly held real property because discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the City and for consultation with legal counsel or briefing by staff concerning potential litigation pursuant to Section 2.2-3711(A)(3) and (7), respectively, of the Code of Virginia, 1950, as amended:

Ayes: Dodson, Foster, Gillette, Helgeson, Johnson, Seiffert, Hutcherson

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Noes:

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// The meeting was re-opened to the public.

// Council Member Gillette made the following motion:

WHEREAS, the Council of the City of Lynchburg has convened a closed meeting on this date, pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by City Council that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Lynchburg certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by Council.

The Motion was seconded by Council Member Johnson, and Council by the following recorded vote adopted the motion:

Ayes: Dodson, Foster, Gillette, Helgeson, Johnson, Seiffert, Hutcherson

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Noes:

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// The meeting was adjourned at 6:00 p.m.

Clerk of Council